

would allow interest to be charged on other than the unpaid beginning balance. The unpaid beginning balance may actually be lowered by payments and it is not fair to the consumer to require interest on an amount which may be artificially high. A committee amendment which we put on and you adopted requires that a grace or free period be allowed, as I said, and there is no interest on an account if the outstanding balance is received prior to the beginning of the next billing cycle, and I guess that is about it. I move adoption.

PRESIDENT: Senator Landis.

SENATOR LANDIS: Mr. Speaker, there is an amendment on the desk.

CLERK: Mr. President, Senators Lamb and Landis would move to strike Section 2 and Section 4 of the bill.

PRESIDENT: Senator Landis.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, Senator Lamb and I agree that two provisions of this bill do not deserve passage. They are, first, that a revolving charge agreement can be completed by some form other than the signature of the buyer. And, secondly, that the rates should be permitted to change up to 21 percent. Let me point out that the revolving charge law has been in effect since the middle sixties and without regard to what the prime rate has been, retailers have always charged the maximum, whatever the law allows. Let's not kid ourselves, if this bill passes, regardless of the fluctuation of the cost of money, we can expect 21 percent across the board. When this Legislature reviewed two years ago interest rates and took off interest rates for some forms of transactions, the Legislature was wise enough to realize that certain kinds of transactions are not made between willing buyers and sellers on an equal basis and that the Legislature had a role to play in continuing an oversight where the market could not be expected to control the rates. History tells us the market does not control this rate. In 1965 when the prime rate was six percent, retailers were charging eighteen